

AGENDA: December 13, 2011

7.1

CATEGORY: New Business

DEPT.: Public Works

TITLE: Request for Proposal—Recyclable Materials, Organics Materials and Solid Waste Collection Services

RECOMMENDATION

1. Approve the Draft Request for Proposal to be provided to Recology Mountain View (Recology) for Recyclable Materials, Organics Materials and Solid Waste Collection and Organics Processing Services.
2. Authorize the City Manager to extend the time period granting Recology Mountain View the exclusive right to negotiate a new collection services agreement, from January 31, 2012 to April 30, 2012.

FISCAL IMPACT

The projected cost for collection services under the existing Recology Agreement for Fiscal Year 2011-12 is approximately \$11.3 million. The current rates charged to solid waste generators cover these expenses, as well as disposal and other Solid Waste Fund expenses. Additional services requested through the Request for Proposal (RFP) would likely affect costs and rates. However, rate impacts will be reviewed by Council prior to selection of final services and approval of the final Agreement.

BACKGROUND

The City's solid waste and recyclables collection agreement with Recology Mountain View (Recology) expires on April 26, 2013. On September 13, 2011, following two Council discussions (April 5, 2011 Study Session and June 28, 2011 Council meeting), Council granted Recology an exclusive right to negotiate a new collection agreement and possibly a new agreement for organics processing. The City reserves the right to initiate a process to solicit bids for a new collection agreement from other providers if the City and Recology do not reach mutually acceptable terms for a new agreement.

The first step in the process of negotiating a new agreement is to issue an RFP to Recology (Attachment 1). The RFP will also include a draft of the new Agreement and a term sheet covering the key business terms for a possible organics processing agreement. The purpose of issuing the RFP is to detail the City's requirements for provision of the collection services desired. Because the City is seeking to add new services to address both Zero Waste goals

and customer convenience, the RFP is an important tool to ensure that Recology's proposed pricing is based on the City's needs.

Two Council Study Sessions were held in September 2011, primarily to consider the compensation and scope of service elements of the new Agreement. At the September 20 Study Session, the existing compensation methodology was reviewed and several possible changes were discussed, including:

- Requiring Recology to identify cost of services by customer group (e.g., residential carts, multi-family bins, etc.) instead of just by cost type (e.g., refuse collection, recycling collection, etc.), which is common practice;
- Applying reasonable cost indices (e.g., fuel, labor) to multiple cost pools to track the general reasonableness of changes in costs; and
- Limiting annual compensation growth or rate of return to incentivize continual cost effectiveness.

Recommended changes to the compensation section of the new Agreement are discussed later in this report.

At the September 27 Study Session, the scope of services to be provided was reviewed. The list of possible services reviewed by Council (Attachment 2) was based on the findings of the Zero Waste Plan analysis and community surveys.

DISCUSSION AND ANALYSIS

Staff recommends that Council approve the Draft RFP prior to release to Recology. Recology will have approximately five weeks to prepare a proposal. Staff and its technical consultants will review and evaluate the proposal prior to presenting recommendations and options to the Council. A detailed schedule is provided later in this report.

Scope of Services

The RFP is structured for the proposal to include "Base Services," "Zero Waste Services" and "Other Innovative Services." In addition, the RFP requests processing (composting) services for organic materials collected from an optional zero waste commercial organics program, if such a program is chosen by the Council to be implemented. The Council will have the opportunity to choose the final scope of services based on cost and diversion estimates proposed by Recology.

Base Services

Base services are very similar to the collection services currently provided by Recology (including every other week recycling and yard trimmings service), with some minor modifications that are not anticipated to add significantly to cost or significantly increase diversion. The RFP requests one price for all base services, and an understanding of optional savings available should the City not choose certain services previously offered by Recology at no additional cost (e.g., "curbside" collection of Household Hazardous Waste, indoor containers for multi-family recycling, etc.). The final determination of services to be identified as base services will depend on pricing and further discussion with Recology regarding feasibility.

The following is a brief list of new base services requested over and above those currently being provided, a number of which have been offered by Recology at no additional cost. Section 2 of the RFP and Attachment 3 provide a more detailed summary of all base residential, commercial and recycling center services that will be requested in the RFP.

New Base Single-Family Residential Services

- Curbside collection of the following items for customers utilizing split-carts: cooking oil, compact fluorescent light bulbs, cell phones and possibly textiles (clothing unsuitable for donation and other fabric).
- Limited extra collection of recyclables (no more than two paper bags or cardboard boxes of mixed containers or mixed paper placed at curb next to cart).
- Limited extra collection of yard trimmings (no more than two paper bags, cardboard boxes or personal containers placed at curb next to cart).

New Base Multi-Family Residential Services

- Collection of the following items if arranged for and monitored by property manager: household batteries, cooking oil, compact fluorescent light bulbs, cell phones and possibly textiles.
- Unlimited holiday (two weeks following Christmas) extra recycling (as arranged through property manager).
- Group dual-stream bin recycling for multi-story, high-density residential developments with trash and recycling chutes.
- Collection of yard trimmings in 64- or 96-gallon carts for all multi-family complexes (currently provided on a very limited basis).

- Holiday tree collection for all multi-family residents without charge (as arranged through property manager).

Other Base Residential Services

- Collection of Household Hazardous Waste—for all residents, unlimited appointments "at your door," at no charge.
- Bin-for-a-Day Service—for use by residential customers on individual cart service, for extra trash, recycling, yard trimmings, small household items for the purpose of home and yard or light remodeling clean up, at a rate established by the City.
- On Call Plus Clean-Up Program—include methods to increase recovery and diversion of reusable materials.

New Base Commercial Services

- Recycling Clean-Out Service—provide extra recycling collection containers once annually (in addition to regular ongoing recycling services) for large cleanouts by businesses and schools, at a rate established by the City.

New Base Mountain View Recycling Center Services (Terra Bella)

- Year-round drop-off of used motor oil and filters, used cooking oil, household batteries, compact fluorescent bulbs, electronic waste, clothing suitable for donation, and textiles for recycling (hours per day drop-off is available to be determined).
- Semiannual Reuse Day and E-Waste/Universal Waste Days—for drop-off of all items listed above; donations of gently used books, toys, clothes and furniture for reuse or donation; document destruction services; and free compost pick-up.

Zero Waste and Other Innovative Services

Zero Waste and Other Innovative Services include modified or additional collection and processing services identified and analyzed through the zero waste planning process that are anticipated to increase diversion. While these services are defined in the RFP, Recology has latitude to develop other innovative and cost-effective proposals for accomplishing them. The RFP requests discrete proposals with individual pricing for these services to assist staff and Council in making informed choices on program selection.

The following is a brief list of the requested Zero Waste and Other Innovative Services. A more detailed description can be found in Section 2 of the RFP.

Zero Waste Services

- Weekly Recycling—collection for all split-cart and group-cart customers.
- Weekly Yard Trimmings with Food Scraps—collection for split-cart customers (multi-family customers can participate in commercial organics program, described below). However, implementation of such a program would be subject to resolution of processing limitations and additional costs at the SMaRT® Station.
- Limited Period (about 10 weeks) Weekly Yard Trimmings—for fall leaves for all split-cart and group-cart customers, if weekly option is not selected.
- Universal Recycling and Technical Assistance—for all multi-family complexes, businesses and schools (including twice per year site visits, extra leadership and assistance with school programs, and waste audits for green business certifications).
- Commercial Organics Service and Technical Assistance—collection of yard trimmings and food scraps for all multi-family complexes, businesses and schools (including twice-per-year site visits, free indoor containers and development of public education materials).
- Other Recyclable Materials—collection and processing of recyclable materials not currently accepted at the SMaRT® Station, such as milk and juice cartons, aseptic containers (soy milk), hard plastics, etc. Collection method to be proposed by Recology, but would likely be a drop-off program.

Other Innovative Services

- Single-Family Food Scraps—food scraps cart service without yard trimmings for single-family dwellings.
- No Recyclables or Organics in Trash—methods to ensure no cardboard or yard trimmings are placed in the trash (with primary interest in multi-family and commercial trash).
- Wet-Dry Collection—truck rerouting to separate drier commercial trash from wet trash to allow maximum diversion of paper during the trash sort at the SMaRT® Station.
- Commercial Diversion Volume—ensure total weekly volume of diversion services (recyclables and organics) for each customer exceeds solid waste service.

- **Reward Program**—a residential reward program to encourage recycling.

There are two important considerations related to the Zero Waste services that, if selected, would represent a significant shift in the nature of the Recology Agreement, both of which are discussed below.

- **Technical Assistance, Education and Outreach Services**

Recology would assume responsibility for providing technical assistance for the commercial/multi-family recycling and organics (food scraps) programs. This will involve site visits to all accounts to establish organics services and establish or improve existing recycling services; development and distribution of public education materials related to this program; participation at community events; presentations to service organizations; and special assistance for school programs. Currently, these types of tasks are performed by City staff. While staff has spent significant time on business recycling and the organics pilot, the remaining tasks are conducted as time permits.

While the inclusion of technical assistance services is fairly typical in other collection agreements, this would represent a significant change for Recology Mountain View. Staff believes having Recology provide these services will be a key to the success of zero waste programs because it provides the opportunity for diversion accountability, as discussed below. Achieving significant increases in commercial and multi-family diversion requires time-consuming efforts to obtain management buy-in, provide staff training, help resolve janitorial issues, etc.

- **Diversion Incentives**

To increase the amount and/or quality of recovered materials from new Zero Waste services, diversion goals and one or more incentives for Recology will be developed based on materials collected. The RFP requests Recology provide a full incentive proposal based on clear performance standards, simple and verifiable accounting and an incentive that balances motivation for Recology with risk to the City. Although the final details of an incentive program will be developed following review of Recology's proposal, such a program would likely include:

- Per-ton payments for each ton in excess of each applicable goal and corresponding per-ton penalties for failure to meet minimum tonnage goals;
- A cap on maximum annual diversion payments; and
- Formulas for adjusting the goals and per-ton payments.

Alternative Fuel Vehicles

The base services requested from Recology also includes replacement of existing diesel-powered collection vehicles with CNG (compressed natural gas) as older vehicles are replaced. Optional pricing is requested for replacement of all collection vehicles with CNG within three (3) years of commencement of the new agreement.

Commercial Organics Processing

As noted above, one of the requested Zero Waste services is an organics collection program for all commercial businesses, schools and multi-family complexes in Mountain View. Organic materials to be collected primarily include food scraps, yard trimmings and compostable paper. These materials can be composted, or directed to an anaerobic digester if such regional facilities are developed. The RFP requests Recology provide per-ton pricing for transport and processing services for all materials collected in a commercial organics program, and will address key related issues such as guaranteed capacity and disposal of residue.

Compensation/Service Fee

Current Agreement

The current compensation methodology is based on a return-on-investment (or percent profit) formula, which allows Recology to earn a rate of return between 6 percent and 12 percent. The contract does not provide a mechanism for Recology to retroactively recoup any revenue shortfalls when actual returns are less than projected, nor for the City to recoup excess revenues when Recology's actual revenues exceed the defined level (i.e., 12 percent rate of return). All expenses are reviewed annually by City staff for compliance with the contract prior to granting any increases to Recology.

Proposed Changes

Proposed changes to the compensation methodology are intended to improve predictability, control costs and determine if expenses incurred are reasonable.

Based on a review of Sunnyvale, Palo Alto and other communities, staff recommends narrowing the compensation band to establish a rate of return between 6 percent and 10 percent. The reduced maximum return recognizes the current lower interest rate environment compared to when the original agreement was negotiated back in 1993. The prime rate and 10-year treasury rate today is about one-half the rate in 1993. To ensure compensation is controlled, expenses will be benchmarked against multiple indices (e.g., labor, fuel) rather than a single index (i.e., Consumer Price Index). Staff also recommends

obtaining cost of service data by customer group and service type (e.g., residential recycling) to help the City predict and monitor the absolute cost and effectiveness of program revisions.

The recommended changes in compensation will benefit both the City and Recology. The increased level of cost detail will help the City predict and monitor the absolute cost and cost effectiveness of services. It will also provide greater clarity of general and administrative costs that are specific to Recology Mountain View (allowed expenses), versus corporate and regional overhead charges (nonallowed expenses). The additional cost indices will help track the general reasonableness of changes in costs and allow the City to perform a detailed cost review every other year rather than annually. A lower rate of return provides incentive to Recology to maintain and improve day-to-day efficiency and cost-effectiveness of service performance. Together, these measures will help minimize rate impacts associated with new Zero Waste Services.

The table below summarizes the key changes in compensation methodology between the current and proposed agreements.

Compensation	Current Agreement	Proposed Agreement
Compensation Band (Rate of Return)	6% to 12%	6% to 10%
Cost Control Index	CPI (only)	Multiple Indices, including CPI for: <ul style="list-style-type: none"> • Labor • Vehicles • Fuel
Allowable Expenses Methodology	Annual Cost-Based	Use of Cost-Based and Index-Based Process in alternating years

Other Key Agreement Provisions

The new Agreement will have many changes from the existing Agreement that was developed in 1993. The key goals in preparing the new Agreement were to:

- Reflect current practices for updated solid waste contracts. For example, minimum staffing levels for key positions, more complete data management and reporting, and accounting of expenses and revenues by customer type; and
- Capture practices that are being done now but have never been formally put in writing. For example, the On Call Plus Clean-Up Program.

Some changes are very small and some are more significant. The key agreement provisions, and a comparison of how they differ from the current agreement, are presented in Attachment 4.

ALTERNATIVES

The Council may choose to alter any of the services or other proposal elements in the RFP.

CONCLUSION/NEXT STEPS

The approval and release to Recology of the RFP represents the next step in the process of developing a new collection services agreement. The RFP is structured for the proposal to include "Base Services," "Zero Waste Services" and "Other Innovative Services." In addition, the RFP requests processing (composting) services for organic materials collected from an optional zero waste commercial organics program. The Council will have the opportunity to choose the final scope of services based on cost and diversion estimates proposed by Recology.

Unless the Council directs extensive revisions, the RFP, draft Agreement and processing services term sheet will be provided to Recology by the end of December 2011. A proposal from Recology will be due in late January or early February 2012. Staff anticipates review and negotiations to be completed by the end of March 2012, with a new Agreement presented to Council in April 2012.

PUBLIC NOTICING

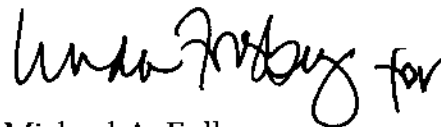
In addition to distributing copies of this report in accordance with the City's standard agenda posting requirements, notice of this meeting was provided via e-mail to neighborhood associations, the Chamber of Commerce, the Central Business Association and the Zero Waste Plan interest list.

Prepared by:



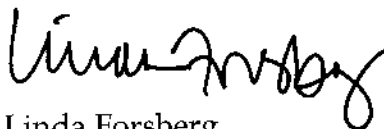
Lori Topley
Solid Waste Program Manager

Approved by:



Michael A. Fuller
Public Works Director

Reviewed by:



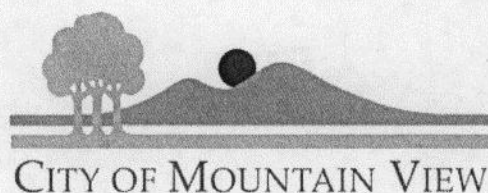
Linda Forsberg
Transportation and Business Manager


Daniel H. Rich
City Manager

LT/6/CAM
944-12-13-11M-E^

- Attachments:
1. Request for Proposal from Recology Mountain View for Recyclable Materials, Organic Materials and Solid Waste Collection, and Organics Processing Services, without Attachments
 2. List of Potential New Collection Services—September 27, 2011
 3. Summary of Base Residential and Mountain View Recycling Center Services
 4. Key Agreement Provisions

CITY OF MOUNTAIN VIEW



**REQUEST FOR PROPOSAL
FROM
RECOLOGY MOUNTAIN VIEW
FOR
RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE
COLLECTION, AND ORGANICS PROCESSING SERVICES**

* * *

_____, 2011

Prepared by:

HF&H Consultants, LLC



and the
City of Mountain View

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ATTACHMENTS (Pending)

Attachment 1	Agreement for Recyclable Materials, Organic Materials, and Solid Waste Collection (Agreement)
Attachment 2	Term Sheet for Organic Materials Processing (Term Sheet)
Attachment 3	Proposal Forms
Attachment 4	Secretary's Certification
Attachment 5	Anti-Collusion

Section 1 - Introduction

OVERVIEW

The City of Mountain View's (City) existing agreement with Recology Mountain View (Recology) for collecting and transporting recyclable materials, yard trimmings, and solid waste generated in the City expires April 26, 2013. The agreement requires Recology to deliver collected materials for processing to the SMaRT Station located in Sunnyvale, of which Mountain View is a partner. In addition, Recology provides buy-back and drop-off recycling services and related services at the Mountain View Recycling Center located at 935 Terra Bella Avenue, and collects food scraps generated by businesses through a pilot program.

On June 28, 2011 the City Council elected to request a sole source proposal from Recology to provide collection services for solid waste, recyclable materials, and organic materials to the City under a new agreement. However, the City retains the right to issue a request for proposal (RFP) on a competitive basis should the City not be able to enter into a satisfactory sole-source agreement with Recology.

This RFP defines the services the City is requesting, as follows.

Base Services. Base services are very similar to the collection services currently provided by Recology, with relatively minor modifications that are not anticipated to add significantly to cost. Section 2 Scope of Requested Services highlights several of the key changes to the current services.

Zero Waste Services. Zero Waste Services include additional or modified collection and processing services identified and analyzed earlier in 2011 through the zero waste planning process designed to increase diversion from landfill. While the Zero Waste Services are defined in the RFP, Recology has latitude to develop innovative and cost-effective proposals for accomplishing them. The City requests that Recology provide a proposal addressing all of the Zero Waste Services. Submittal of discrete proposals and individual pricing for these services will assist the City in making informed choices on program selection.

Processing Services. The City is interested in expanding the current pilot commercial food scraps program, and developing a full scale organics program as one of the Zero Waste Services noted above. The City is interested in receiving an organics processing proposal from Recology. Should the City elect to expand this pilot program, it may request that Recology begin to transport and process the material prior to the start date of the Agreement, rather than continue to have Recology deliver the food scraps to a third-party processor under separate contract with the City. The City may also request that Recology provide other types of organics processing services. The RFP contains a term sheet defining the key terms for a separate organics processing agreement with Recology. The full agreement will be developed should the City elect to use Recology's organics processing.

The City is also requesting a processing proposal for a limited range of added recyclable materials that are not currently collected due to low market value or collection difficulty. If selected by the City, the contractual terms for this processing may be included in either the Agreement, or in the organics processing agreement.

The term of the new agreement (Agreement) will commence on April 27, 2013 and will end on October 14, 2021, with provision for possible extensions at City discretion for a maximum of four years.

CITY'S GOALS AND OBJECTIVES

The City's goals and objectives for future services:

- Maintain a high level quality of service to customers that is timely, courteous, and responsive
- Ensure collection and processing services play their necessary role in meeting zero waste goals
- Ensure the cost effectiveness of the services provided
- Support the City's Zero Waste policy, furthering green house gas emissions reduction and other sustainability goals
- Meet all regulatory requirements
- Ensure a fair Agreement for all parties

ORGANIZATION OF RFP

This RFP is organized into the following sections:

Section 1 provides a brief introduction to the RFP, a summary of the City's goals and objectives, a description of City's rights with regard to the procurement process, procurement schedule, and the proposal submittal process.

Section 2 presents the scope of requested collection and processing services.

Section 3 outlines the proposal submittal requirements.

The RFP also includes the draft Agreement (Attachment 1), term sheet for organics processing (Attachment 2), proposal forms to be completed by Recology (Attachment 3), Secretary's Certificate (Attachment 4), and Anti-Collusion Affidavit (Attachment 5).

COMMUNICATIONS AND RFP CLARIFICATIONS

Except as otherwise approved by her, all contact with the City during this solicitation process will be through Lori Topley, Solid Waste Program Manager. To ensure clarity, oral statements from City staff, consultants, or other parties are not binding. All clarifications of the RFP, modifications to the RFP, or any new information provided by the City will be provided in writing, which may include emails.

Should Recology staff note any discrepancies or omissions in this RFP, a need to clarify the RFP, or wish to meet to discuss any aspect of the RFP, please contact Ms. Topley via email at lori.topley@mountainview.gov by _____.

Upon receipt of the RFP, Recology is requested to promptly provide Ms. Topley with contact information for the individual that will be responsible for receipt and distribution of information from the City, and for sending any requests to the City.

The City will provide Recology any addenda to the RFP document. Only those interpretations of, or changes to, the RFP document that are made in writing and furnished to Recology by the City may be relied upon. Recology shall acknowledge receipt of each addendum by signing in the space provided on the issued addendum and by submitting all addenda with their proposal.

RIGHTS RESERVED BY THE CITY

The City will not be obligated by the submission of a proposal to respond in any manner to any proposal.

The City reserves the right, in its sole discretion, to pursue any or all of the following actions with regard to this RFP:

- Issue addenda to the RFP
- Request additional information and/or clarification from Recology
- Extend the deadline for submitting the proposal
- Permit the timely correction of errors and waive minor deviations
- Withdraw the RFP
- Remedy technical errors in the RFP process
- Postpone opening the proposal for its own convenience
- Reject the proposal if it does not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications; is incomplete or contains errors, inconsistencies, false, inaccurate, or misleading information.
- Waive informalities and minor irregularities in the proposal
- Approve or disapprove the use of particular subcontractors
- Amend the Agreement
- Amend the Mountain View Municipal Code
- Take any other action it deems in the best interest of the City, its residents and businesses
- Issue additional RFP(s) on a competitive basis should the City not be able to enter into a satisfactory sole-source agreement with Recology

GENERAL RFP AGREEMENTS

This RFP does not constitute an agreement of any kind between the City and Recology.

This RFP does not obligate the City to award an Agreement to Recology or to proceed with the development of any project or service described in response to this RFP.

Recology's response to this RFP shall be prepared at Recology's expense, with the express understanding that there shall be no claims whatsoever for reimbursement from the City for the cost or expense of such preparation, or for any subsequent aspect of the process.

Submission of a proposal shall be deemed a representation that Recology has investigated all aspects of the RFP, that Recology is aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and that Recology has read and understands the RFP.

Submission of a proposal constitutes Recology's acknowledgment and acceptance of all the terms and conditions contained in this RFP, its attachments, addenda, or clarifications and the Agreement, unless an exception to particular terms and conditions is expressed in writing in the proposal.

Submittal of a proposal signifies that Recology commits that all information contained in the proposal is true and correct.

Submittal of a proposal signifies Recology's commitment to provide the proposed services. The proposal is to be firm for a period of 180 days from the date the proposal is submitted. Proposals may not be altered after submittal except in response to the City's request for clarification or negotiation of a final Agreement. Acceptance of the proposal by the City obligates Recology to enter into an Agreement with the City consistent with its proposal.

With submittal of a proposal, Recology acknowledges that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Recology and Recology hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

PROPOSAL SUBMITTAL

Please submit 5 bound double-sided copies of the complete proposal including the cost proposal. Please submit an original clearly stamped as such on the cover. In addition, please include two CD's containing 1) an Acrobat Adobe PDF version of the entire proposal (including cost forms), 2) a Word version of the proposal (without cost forms), and 3) an Excel version of the cost proposal forms (i.e., those provided in Attachment 3 of the RFP). All copies of the proposal must be double-sided and printed on 30 percent post-consumer, recycled-content paper. Please number all pages in a manner that clearly indicates their order.

The package should be clearly labeled:

"PROPOSAL FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE COLLECTION, AND ORGANICS PROCESSING SERVICES"

Attention: Lori Topley
City of Mountain View
Public Works Department
City Hall
500 Castro Street,
Mountain View, CA 94041

PROPOSAL SUBMITTAL SCHEDULE

The proposal is due on _____. The schedule may be modified at the City's sole discretion.

During the process, beginning with City Council approval of the RFP, Recology may be disqualified for factors including, but not limited to:

- Any attempt to improperly influence any member of the selection staff including members of the City Council;
- Existence of any lawsuit, unresolved contractual claim or dispute between Recology (and/or its related entities) and the City;
- Evidence of incorrect information deliberately submitted as part of the proposal, or at other stages of the RFP process.

Recology may be asked to clarify information through writing, interviews, or site visits with City staff or its consultants.

Recology is discouraged from distributing information, in any way (by newspaper, printed handbills, radio, television advertisements or interviews, or other methods), concerning this process to the City Council, residents, or businesses in the City or the general public.

No person shall offer, give, or agree to give any City employee any gratuity, discount, or offer of employment in connection with the award of Agreement by the City. No City employee shall solicit, demand, accept, or agree to accept from any other person a gratuity, discount, or offer of employment in connection with a City Agreement.

LIMITS ON DISCLOSURE OF PROPOSAL

The City has determined that the public interest will be best served if the proposal submitted in response to this RFP, and all other written materials related to the RFP, proposal, and negotiation process are not made available for review by third parties until the date on which the Council agenda recommending Council action on the Agreement is publicly noticed. All materials received from Recology, other than those identified as entitled to protection under Government Code Section 6254(k) as trade secrets, will be made available for public review no less than three (3) days prior to the date on which the City Council will consider the staff recommendation.

The following procedures will be followed in order to implement this policy:

1. Materials which Recology considers to contain proprietary, trade secret information entitled to protection from disclosure under Government Code Section 6254(k) must be clearly marked on each page as "CONFIDENTIAL".
2. If, prior to the date on which City staff issues a report to the City Council recommending negotiation of a final Agreement with Recology, the City receives a request to review and/or copy materials submitted by Recology, it will decline to release those materials pursuant to Government Code Section 6255.
3. If the person submitting the request files a legal action against the City seeking its release, the City will notify Recology and will not oppose a motion by Recology to intervene in the action. Recology must either intervene or agree to pay the City's legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the City will have no obligation to defend the action and may release the information sought without any liability whatsoever.

4. Recology shall not be entitled to seek or receive damages against the City or recovery of its attorneys' fees from the City as a result of any dispute related to the release or withholding of information submitted in response to this RFP.

DISCLAIMER

To the best of the City's knowledge, all data and information provided in this RFP and in subsequent communications are accurate. However, the City is in no way responsible for any inaccurate, inconsistent, or incomplete data or information. In submitting a proposal, Recology agrees to waive any claims against the City for loss or damages incurred by Recology for its reliance on data and information contained in the RFP or subsequent communications.

Section 2 - Scope of Requested Services

The scope of services is summarized in this section. A more detailed description is contained in the Agreement (Attachment 1). To the extent there are any inconsistencies between this summary list and the Agreement, the Agreement will prevail.

BASE SERVICES

Please submit a proposal that addresses the following key services. The services to be addressed in the Base Services proposal are described in detail in the Agreement (Attachment 1). The proposal should be based on a full understanding of the entire draft Agreement. The following description is a brief summary, followed by a list of key areas in which the Base Services proposal varies from current services.

Collection-Related Services

Residential Services

The following three tables and the descriptions that follow them summarize residential collection services. In Table 2-2, the grouping of residential service descriptions are by material type rather than by "single-family" and "multi-family" to represent the City's effort to develop an improved method for accurately capturing how services relate to housing type and the variations in service that currently exist as part of Base Services.

Table 2-1 Residential Recycling Collection

Recycling Collection	Split Cart	Group Carts	Housing Types
"Single-Family" Premises with 1-4 units	X		Single family homes, mobile homes; duplex through fourplex developments; and townhomes and row houses that have individual solid waste carts.
"Small Multi-Family" Premises with 5-8 units	X	X	Premises with 5-8 units may have individual split-carts or group carts as determined by Recology and approved by the City.
"Large Multi-Family" Premises with 9+ units		X	<p>Apartments; condominiums; mixed use buildings; and townhomes and row houses that have solid waste bins.</p> <p>Multi-story, high density premises with trash chutes may have dual stream bins as determined by Recology and approved by the City.</p>

Table 2-2 Collection of Yard Trimmings and Additional Recyclable Materials

Other Diversion Services	Split Cart	Group Carts	Note
Yard trimmings	X	X	All yard trimmings services provided in 96- gallon carts (64-gallon on request).
Universal Waste (motor oil/filters, cooking oil, batteries, CFLs, cell phones)	X	X	Group cart subscribers arrange through property manager.
Extra Recycling & Yard Trimmings (up to 2 extra personal containers such as cans for trimmings, kraft bags or cardboard boxes)	X		Not offered to group cart subscribers because group carts have more capacity than split carts and group properties have space available for more carts.
Holiday Trees	X	X	Group cart subscribers arrange through property manager.
Holiday Extra Recycling	X	X	Group cart subscribers arrange through property manager.

Table 2-3 Residential Solid Waste Collection and Related Services

Solid Waste Collection	Carts	Bins	Clean Up Service	Housing Types
"Single-Family" Premises with 1-4 units	X		On Call Plus	Single family homes; mobile homes duplex through fourplex developments and townhomes and row houses that have accessible individual street frontage.
"Small Multi-Family" Premises with 5-8 units	X	X	On Call Plus	Premises with 5-8 units may have carts or bins as determined by Recology and approved by City.
"Large Multi-Family" Premises with 9+ units		X	Condominiums Only – On Call Plus	Apartments; condominiums, mixed use buildings; and townhomes and row houses that do not have accessible individual street frontage.

The following descriptions relate to Tables 2-1, 2-2 and 2-3 above.

Residential Recycling Collection

1. Split-Cart Service: Collection of recycling in 64- or 96-gallon split carts (mixed paper in one side and mixed containers on the other side), at curbside every other week on the same day as solid waste collection. Collection of extra recycling allowed of no more than two (2) containers (personal cans, kraft paper bags or cardboard boxes) and placed next to the cart, provided such containers do not weigh more than 60 pounds each.
2. Group Cart Service: Collection of recycling in 96-gallon carts (one cart each for mixed paper and mixed containers or more as needed), from designated collection stations every other week or weekly for developments with existing space limitations.

Residential Recyclable Materials

1. Split-Cart Service: Mixed paper, newspapers and corrugated cardboard; clear, green, and brown glass jars and bottles; metal and aluminum cans, aluminum foil, metal lids and caps; plastic bottles, tubs and jugs marked with a recycling symbol #1 through #7; used cooking oil; used motor oil and used oil filters; used household batteries; compact fluorescent light bulbs; cell phones; or other recyclables accepted for processing at the SMaRT Station or other City-designated processor. City requests that Recology determine whether textiles for recycling (not donation) should also be collected at the curb, Mountain View Recycling Center, or both.
2. Group Cart Service: Same items as for split-cart service except for used cooking oil, used motor oil and used oil filters, used household batteries, compact fluorescent light bulbs, and cell phones, unless arranged and monitored by property manager.

Residential Yard Trimmings

1. Split-Cart Service: Collection of yard trimmings in 64- or 96-gallon carts at curbside, every other week on the same day as solid waste collection. Collection of extra yard trimmings allowed in no more than two (2) additional containers (personal cans, kraft paper bags or cardboard boxes) and placed next to the cart, provided such containers do not weigh more than 60 pounds each.
2. Group Cart Service: Collection of yard trimmings in 64- or 96-gallon carts from designated collection stations, every other week on the same day as solid waste collection.
3. Holiday Trees: Collection of holiday trees from split-cart service accounts at curbside on the regular recycling collection day, for a period of two recycling collections occurring after Christmas Day. Collection of holiday trees from group service accounts at designated collection stations as arranged between the property manager and Recology for up to thirty (30) days after Christmas Day.

Residential Solid waste Collection

1. Single Family Service: Collection of individual carts (in 20-, 32-, 64- or 96-gallon sizes) at curbside once every seven (7) days at rate subscription levels established by the City. Extra collection of additional solid waste allowed in bags with paid stickers.

Recyclable Materials, Organic Materials, and Solid Waste Collection, and Organics Processing Services

2. Small Multi-Family Service: Collection of individual carts or bins as determined appropriate by Recology and approved by City, typically once every seven (7) days, collected either curbside or from designated collection stations.
3. Large Multi-Family Service: Collection of group bins, typically once every seven (7) days, or more often as determined by Recology or City, from designated collection stations at rate subscription levels established by the City. Extra collection of solid waste allowed at special collection rates established by the City (and not in bags with paid stickers).

Residential Backyard Collection

Side or Backyard Collection Service for Persons with physical limitations or elderly residents in Single-Family units, who due to physical limitations or age, are physically unable to bring their containers to the curbside. A doctor's certificate is not required if the limitation is obvious and identified by the City or Recology.

Residential Clean Up Programs

1. On Call Plus Clean Up By Appointment: Collect bagged, boxed or bundled extra solid waste, recycling, yard trimmings, and bulky goods collection up to three (3) appointments per unit annually at no charge. Generally for Single-Family homes, Small and Large Multi-Family homes, and other housing types with Individual Cart Service.
2. SMaRT Station Vouchers: Exchange any of the clean up services in (1) above for a free voucher to the SMaRT Station at no charge.
3. Bin for a Day: Provide bin collection service for Single-Family homes and Small Multi-Family homes with individual cart service, once in a 7 day period, for extra solid waste, recycling, yard trimmings, small household items for the purpose of home and yard cleanup, light remodeling or construction at a rate approved by the City.
4. Reuse or Donation: Recology shall develop a plan for maximizing recovery and diversion of reusable materials addressing collection method, customer set-out instructions, use of the Mountain View Recycling Center to consolidate reusable materials, transport, and end-uses, including partnering with local not-for-profits in collection, reuse, and/or sale of materials. Materials for reuse or donation shall include, but not be limited to, furniture, mattresses, toys, appliances, clothing and yard trimmings. Recology shall implement the plan following approval of the City. Recology shall also cooperate with City's efforts to promote reuse of such items.
5. Household Hazardous Waste Front-Door Collection: Collect household hazardous waste at the entrance door, garage door or yard gate of Single-Family homes, Small and Large Multi-Family homes, and at no charge. Special service will be provided as needed to assist residents who due to age or disability cannot set out wastes as required.

Commercial Services

1. Commercial/Industrial Businesses and Schools: Collection of solid waste, mixed recycling (mixed paper and newspapers; clear, green, and brown glass jars and bottles; metal and aluminum cans and

Recyclable Materials, Organic Materials, and Solid Waste Collection, and Organics Processing Services

foil and lids; plastic bottles, tubs and jugs marked with a recycling symbol #1 through #7, and cardboard), and collection of source-separated cardboard in bins at no direct charge to customer. Collection of all materials shall occur on a schedule developed by Recology and approved by the City.

2. Recycling Clean-Out Service: Provide collection containers for clean-out service to businesses and schools for recyclable single-stream materials for a period not to exceed seven (7) days (during which the bin(s) may be serviced on a daily basis) at rates approved by the City.

City Facilities Collection

Collect recycling, yard trimmings and solid waste from locations below, offered on the same schedule as commercial collection.

1. City buildings
2. City parks
3. Downtown litter cans (solid waste only)
4. Downtown recycling enclosures (recycling only)
5. Certain bus stops (solid waste only)
6. Other public facilities as scheduled (recycling and solid waste only)

Other Collection-Related Services

1. Roll-Off Box Collection

Collect solid waste, recycling, yard trimmings, and construction and demolition debris at the rate and on a schedule approved by the City. All roll-off boxes used for recycling and yard trimmings shall be labeled to ensure (a) proper identification of contents for the SMaRT Station operator; (b) proper use by the generator; and (c) provide public outreach about the availability of such recycling services.

2. Special Collection

Special collection of solid waste, recycling, yard trimmings, and bulky items at the request of generators not otherwise covered by the Agreement. Recology may impose reasonable fees for special pickup services, which fees shall be consistently and fairly applied. Recology shall provide information to the City for billing Generators for this service.

3. Special Events Collection

Provide collection of solid waste and recycling at the request of organizers of Special Events such as Art & Wine Festival and A la Carte and Art Festival and other events as approved by the City. All such services shall be charged to the organizer. Recology shall not provide in-kind donations of services to organizers, but may provide a donation check to organizers paid for by Recology's corporate office.

4. Mountain View Recycling Center Operation

Use the Mountain View Recycling Center site, which is City property, to provide the following services: a State Certified Redemption Center ("buy-back for bottles and cans"); drop off location for recyclables, universal wastes (household batteries, compact fluorescent lights, used motor oil and filters) and e-wastes (cell phones, computer monitors, televisions etc.), clothing suitable for donation; issuance of SMaRT Station Vouchers, selling of Extra Garbage Stickers; providing a local business office; and storing containers for collection services. City requests that Recology determine whether textiles including clothes for recycling (not donation) should be collected at the curb as well as at the Mountain View Recycling Center.

Provide a Reuse Day and E-Scrap/Universal Waste Day twice per year on a Saturday(s), separately or combined as specified in your proposal, for residents to drop off donations of gently used books, toys, clothes and furniture; drop off computers, cell phones compact fluorescent bulbs, and other e-wastes and universal wastes, and; pick up finished compost. All above services are to be provided at no charge to residents providing proof of residency.

5. Program Audits

- a. Route Audits: Recology shall conduct annual audits of all residential and commercial collection routes, including clean up routes, to ensure services rendered to customers, whether billed or not, are correctly reported to the City; and to determine rates for participation, recycling contamination and collected diversion. The audit methodology and personnel used may be suggested by Recology and shall be approved by the City. Recology shall perform up to ten days of route auditing per year.
- b. Program Evaluation Audits: Recology shall periodically conduct audits of all collection programs to assess performance indicators specified by the City, such as average volume of recyclable materials per setout per customer, average volume of organic materials per setout per customer, participation level, contamination levels in recycling, yard trimmings and solid waste, improper placement of recoverable materials in solid waste containers, etc. Recology shall perform up to ten days of route auditing per year.
- c. Performance Audits and Studies: Recology shall cooperate as needed with the City during City's performance audits to review Recology's compliance with the Agreement including the performance standards and provide the City with any requested records.

Additional Services

1. As proposed by Recology, develop a program for shifting to a compressed natural gas or CNG fleet over the Agreement term, with the current diesel trucks replaced by CNG vehicles once the former are fully amortized. Recology's proposal should also address arrangements for CNG fueling.
2. The City wishes to provide Recology with diversion goals and one or more incentives to increase the amount and/or quality of recovered materials from the various collection programs for delivery to the SMaRT Station and to Recology's processing facilities. Please see the description of the incentive program under Zero Waste Services. While such a program will be a key aspect of the Zero Waste Services, the concept could also apply to Base Services. Recology is encouraged to propose some form of the program as part of Base Services. However, the City recognizes that for the Base

Services, not having the responsibility and authority for technical assistance makes it more difficult for Recology to achieve specific diversion goals.

3. The new agreement will require that Recology take a more proactive role in protecting its exclusive rights than is required in the present agreement. The language will be similar to that in many solid waste contracts, in that Recology will be required to identify and act on instances of infringement, as well as take direction from and coordinate with the City regarding infringement.

Key Additions to Current Services

The following list summarizes key differences between existing collection services as provided by Recology under the 1994 agreement and the new Base Services.

Base Services include the following key service additions:

1. Curbside collection of additional recyclable materials for split-cart customers.
2. Extension of yard trimming collection to all multi-family residents.
3. Residential set-out of additional amounts of recyclables and yard trimmings.
4. Addition of "bin for a day" service for single family and small multi-family residential customers.
5. Addition of recycling cleanouts for businesses and schools customers.
6. Expanded drop-off options at the Mountain View Recycling Center.
7. Addition of Reuse Days and E-Scrap/Universal Waste Days at the Mountain View Recycling Center.

Base Services also include these additional service additions:

1. Shift to a CNG fleet.
2. Contractual incentives and disincentives to maximize diversion of materials and minimize contamination.

Note also:

1. For the Base Services, the City will retain its role in outreach and technical assistance, and this will continue should none of the Zero Waste Services be implemented.
2. See the Agreement for changes to Base Service related to customer service, data management and reporting, personnel, and various other aspects of the provision of service.

ZERO WASTE SERVICES

The City requests that Recology provide a proposal for each of the following "Zero Waste Services", programs identified in development of the Zero Waste Plan and generally discussed at the September 27, 2011 Council study session. See Section 3 for detail regarding addressing service requirements in your proposal and for proposal submittal requirements.

Collection-Related Services

1. **Weekly Recycling Cart Service. Single Family and Multi-Family Dwellings.** Expand the frequency of collection for single family and multi-family recycling carts to **weekly** collection.
2. **Weekly Yard Trimmings with Food Scraps Cart Service. Single Family Dwellings.** Expand the frequency of collection for single family yard trimmings carts to **weekly** collection. Expand the collection of organics (that currently includes only yard trimmings) to add food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables placed in carts from residential customers.
3. **Weekly Yard Trimmings Cart Service, Fall Leaves. Single Family and Multi-Family Dwellings.** Expand the frequency of collection for single family and multi-family yard trimmings carts to **weekly** collection, for a period of **ten weeks**, typically from October 1 through December 15, during heavy leaf fall.
4. **Collect Additional Residential and Commercial Recyclable Materials at the Mountain View Recycling Center.** There is a range of low-value or difficult-to-collect recoverable and potentially recoverable materials that are not currently targeted at the SMaRT Station for source-separated processing or for recovery from the MSW stream. The City requests that Recology propose a set of such materials for drop-off at the Mountain View Recycling Center. The proposed set of materials should have sustainable, viable markets. As discussed below, Recology would then transport, process and market these materials. The City is interested in a potential list of materials from residences and businesses that includes, but is not limited to: polystyrene packaging blocks, milk/juice cartons, aseptic beverage and food cartons, aerosol cans, waxed paperboard like frozen food boxes, rigid plastics, textiles, scrap metal, film plastic, foam plastics, and pallets. To the extent the SMaRT Station processes any of these materials in the future, the City may request a change in scope that would shift or add collection of some or all of these materials to applicable curbside programs.
5. **Universal Recycling and Technical Assistance. All Multi-Family Complexes, Businesses, Schools, and Special Events ("Commercial Accounts").** Propose an ongoing process for communicating with commercial accounts to implement recycling collection; ensure awareness of recycling options; evaluate recycling needs; determine appropriate collection service level and frequency of recycling, organic and solid waste containers; deliver containers (including indoor containers for multi-family); and, collect materials with the goal of providing near universal weekly recycling collection for carts and bins from commercial accounts.
6. **Commercial Organics Service and Technical Assistance. All Multi-Family Complexes, Businesses, Schools, Special Events ("Commercial Accounts") and City Facilities.** Propose an ongoing process for communicating with commercial accounts to implement organics collection; determine appropriate collection service and frequency; provide indoor collection containers; and collect and process organic materials (yard trimmings, food scraps, compostable paper, untreated wood, untreated wallboard, and other compostables) placed in both carts and bins with the goal of providing near universal weekly organics collection.

Other Services for City Consideration

CNG Vehicles – Please propose an alternative schedule for replacing current vehicles with CNG vehicles in order to speed up the completion of a CNG vehicle fleet within three years of the commencement date for the new agreement (e.g., replacement of one-third of fleet trucks annually for three years). The proposal should also address vehicle fueling.

Diversion Incentives - As noted previously, the City wishes to provide Recology with diversion goals based on materials collection and one or more incentives to increase the amount and/or quality of recovered materials from the new Zero Waste Services. The City is considering two broad approaches, as outlined in the next paragraph. The final RFP will include one or both of the approaches. In addition, the City is open to discussion of other options related to maximizing diversion and/or minimizing contamination. The City will request that Recology provide an incentive proposal based on clear performance standards, simple and verifiable accounting, and an incentive that balances motivation for Recology with risk to the City.

In general, the City proposes to establish performance standards that broadly define the targeted materials and provide goals for their increased recovery, stated in tons and based on the percentages of the materials remaining in the disposal stream, as reported during the recent waste characterization. Thus the agreement will specify a minimum tonnage of specified material categories to be collected and delivered to the SMaRT Station or to a Recology facility, as applicable, for weighing prior to sorting. As noted above, the City is considering two broad approaches to the incentives. One option is to tie diversion goals to some or all of the six Zero Waste Services. A second option is to define several broad categories for diversion that do not directly correlate with the Zero Waste Services, such as residential recyclables, residential organics, commercial recyclables, and commercial organics. The City is interested in encouraging cost effectiveness by recovering the "low hanging fruit" first - those materials that can be recovered at least cost. Thus, the City wishes to provide Recology flexibility in selecting which materials to target.

The Agreement language for the diversion incentive program will:

1. Specify how accounting of diverted tonnages will be done.
2. Specify per-ton payments for each ton in excess of each applicable goal and corresponding per-ton penalties for failure to meet minimum tonnage goals, and a method for escalating each. The per-ton amounts will likely be similar to those contained in Section 9.14 of the recent Palo Alto agreement, which were initially set at \$70 per ton.
3. The City will specify acceptable contamination levels based on common terms from end-market processing agreements to apply to the initial per-ton amounts. Such tonnages will be deducted from total delivered tons eligible for per-ton payments prior to calculation of the payments. Periodic audits, such as those conducted by the SMaRT Station, will be used to determine actual higher levels of contamination. The audit results will be used as necessary to increase or decrease tonnages eligible for per-ton payments.
4. Provide a cap on maximum annual diversion payments, such as \$150,000.

5. Provide a means for adjusting the goals as necessary to reflect partial years at the beginning and end of the term.
6. Provide a formula for adjusting tonnage goals (after Year 3) and per-ton payments (after year 1).
7. Provide a means for adjusting the goals up or down over time, based on factors such as new information regarding the then-current amounts of the materials remaining in the diversion stream, contamination level, and changes in economic conditions.
8. Include liquidated damages for failure to meet certain standards related to diversion and minimized contamination, such as conducting required outreach, conducting commercial waste audits, conducting training meetings for businesses, offering and providing adequate capacity for recyclable materials and organic waste for multi-family and commercial customers, provision of non-collection notices when appropriate, etc.

Other Innovations

The City welcomes proposals for any additional services or approaches to services that Recology believes will significantly contribute to meeting the City's zero waste goals or to increasing customer convenience or service, including, but not limited to:

- **Food Scraps Cart Service without Yard Trimmings for Single-Family Dwellings** - The City is interested in options to keep food scraps and yard trimmings separate in general, if possible, and in food scrap collection for customers that do not generate yard trimmings. There are several key reasons why, if feasible this would be advantageous. First, the SMaRT station processes yard trimmings but not mixed organics or food scraps to ensure a better market value for the yard trimmings. Second, once yard trimmings are combined with food scraps, all collected tons must be processed at a higher cost. Third, some customers will generate food scraps, but no yard trimmings. The first two reasons assume that materials are kept segregated throughout, while the third assumes that they might be collected from separate containers but combined in the collection truck – providing customer convenience perhaps but not cost advantage in processing. We noted during our discussion on November 1st that Morgan Hill provides for separate collection of food scraps, and discussed whether a Curroto can or similar collection method might be used to collect residential food using commercial trucks that are collecting relatively clean commercial food scraps, etc. We also understand that Allied may be providing some similar sort of service in Benicia.
- **No Cardboard or Yard Trimmings In Solid Waste Containers** - One approach to achieving very high diversion is to ensure that materials are placed in the proper container. As discussed on November 1, Morgan Hill has a requirement for drivers to check for cardboard and yard trimmings in solid waste containers, and to tag them with non-collection notices. As indicated by the waste characterization, there are still relatively high percentages of yard trimmings and cardboard in the solid waste stream that arrives at the SMaRT Station. The logical extension of this approach is to work to ensure that each container only has what is supposed to be in it (e.g., there is also no solid waste in the recyclables or organics containers, no recyclables in the organics and solid waste container, etc.)
- **Truck Re-Routing** – To increase recovery of clean paper and other recyclables at the SMaRT Station, the City is interested in any viable options for re-routing to collect “wet” solid waste (primarily from

restaurants, multi-family complexes, and other appropriate commercial customers) separate from “dry” solid waste (primarily from offices and other appropriate customers). Re-routing has the advantage of being transparent to the customer.

- **Commercial Diversion Volume** – One way to achieve a minimum 50 percent diversion from commercial customers (measured on a volume basis) is to ensure that the total weekly volume of diversion services (recyclables and organics) provided to each commercial customer exceeds their equivalent solid waste service. This approach has been used in other communities.
- **Reward Program** – The City is interested in the possibility of instituting a reward program that will work effectively in a community with a strong recycling ethic and high diversion rates. Depending on customer type, such a program might target new or increased recycling volume or weight, spot checks for cross-contamination between containers (checking for the wrong material in a container), etc.
- **Junk Removal Services** – The City is interested in having Recology provide junk removal services to be competitive with, and reduce the amount of illegal hauling by, other junk removal companies. The City allows other companies on a non-exclusive basis to perform junk removal services, provided the hauling is incidental to the main service of clean-up activities such as shoveling, sweeping, bagging, boxing, removing items from yards and inside buildings, and loading items into a van or dump truck (where the container is permanently attached to the vehicle). This service would put Recology and other companies on a level playing field, and improve code enforcement of illegal hauling. (Note: Roll-off box services are provided by Recology on an exclusive basis, but many junk removal companies have been violating the franchise by doing curbside pickups or providing roll-off boxes for the customer to load.)

SERVICES OFFERED BY RECOLOGY

As discussed at the Council session of September 27th, Recology submitted three letters to the Council, dated February 25th, April 5th, and June 20th, 2011 that offered a range of services at no charge. The City has incorporated a number of the proposed services into the Base Services or Zero Waste services as described above, several have been excluded, and several of those now included may be excluded later, depending on their relative cost and the availability of services that may be of greater interest. Table 2-4 summarizes RFP treatment of the services proposed by Recology. The asterisks in Table 2-4 indicate specific services for which the City requests that Recology identify the dollar savings, and the related assumptions associated with not implementing the given service. The proposal forms include specific instructions for doing so. In summary, these services include:

- Confidential paper shredding at Reuse Days.
- Discounted backyard home composting bins.
- Household hazardous waste “Front Door” collection.
- A Base Services option for converting to a CNG fleet, identifying savings if the City chooses to not implement the change.
- A Zero Waste Services option for converting to a CNG fleet, identifying the incremental cost above the Base Services option (provided at no cost) for implementing the change.

Table 2-4 Services Offered by Recology

Proposed New Services	Included in Base Services	Included in Zero Waste Services	Not Included*	Comments
Mountain View Recycling Center (Terra Bella)				
1. Semi-Annual Reuse Days. Reuse/donation of books, toys, clothes, furniture; confidential paper shredding; and free compost bag pick up.	Mostly		Paper shredding*	Paper shredding is provided at the SMaRT Station with the cost included in customer rates.
2. Semi-Annual E-Scrap/Universal Waste Days. E-waste, universal waste drop-off.	X			
3. Drop-off Usable Clothes. For non-profit donation.	X			Recology to decide whether curbside only, drop-off, or both.
4. Drop Off E-Scrap.	X			
5. Discounted Backyard Home Composting Bins.*			X	Bins are offered for sale through the County-wide Home Composting Program.
Curbside Collection				
6. Curbside Collection. CFL bulbs, cooking oil, cell phones, and clothes for donation.	X			Recology to decide whether to collect clothes at the curb, at the drop-off, or both.
7. Household Hazardous Waste "Front Door".*	X			The City has not made a final decision to include this service, since it duplicates services already paid for. The City wishes to understand the savings associated with not providing it.
8. Indoor Containers Multi-Family Recycling Recycling bags for collection and transport to outdoor complex bins.		X		Offered with expanded multi-family recycling.
9. Indoor Containers Commercial Food Scraps.		X		Offered with expanded commercial food scraps program.

Proposed New Services	Included in Base Services	Included in Zero Waste Services	Not Included*	Comments
Operational				
10. Alternative Fuel Vehicles – Compressed Natural Gas (CNG).* Base Services: Convert diesel fleet to CNG over several years. Zero Waste Services: Convert to CNG more quickly.	X	X		City is requesting Recology's proposed fleet conversion as a Base Service, and is adding an accelerated option for Zero Waste Services. Recology should identify the savings associated with not converting to CNG as Base Service and the added cost associated with the Zero Waste Service option.

PROCESSING AND MARKETING, AND TRANSPORT AND DISPOSAL

Processing and Marketing

1. The City is seeking a Recology proposal addressing organics processing and recovered materials marketing tailored to the commercial account food scraps program described above as a Zero Waste Service.

At this time, the City is not seeking a proposal for processing and marketing for commingled single-family yard trimmings and food scraps. However, if Recology proposes a viable means for collecting single-family food scraps separate from yard trimmings, the City is interested in receiving pricing for processing and marketing of these materials. Attachment 2 includes a draft term sheet for organics processing.

2. The City is seeking a Recology proposal to process and market additional recyclables collected at the Mountain View Recycling Center as requested for Zero Waste Services. As noted above, the selection of materials to be included as additional recyclables should be in large part a function of Recology's ability to process them and to reliably market them on an ongoing basis. At this time, the City has not developed contractual terms addressing additional recyclables processing for added materials. This service, if utilized, may be incorporated into the collection agreement, the organics processing agreement, or may be a separate agreement. To the extent the SMaRT Station processes any of these materials in the future, Recology's processing and marketing service, in part or in whole, may no longer be needed.

Transportation and Disposal

Recology will continue to be responsible for delivering materials to the SMaRT Station, with the following exceptions. For organics processing and/or processing of the added recyclable materials,

based on the specifics of Recology's proposal and on the agreed terms, Recology will be responsible for delivering materials to the designated processing facility(ies), transferring and processing materials, and disposal of processing residues.

Section 3 - Proposal Requirements

In your proposal please provide, at a minimum, all information requested in this section. Please address each topic in the order shown below.

SUMMARY

Please provide a summary description of the technical (non-cost) highlights of your proposal.

GENERAL

Key Personnel

Provide updated resumes, names and contact information for all key personnel. At a minimum, key personnel shall include controller, general manager, operations manager, customer service manager, maintenance manager, public education specialist, or other personnel with similar titles.

Collective Bargaining Agreement

Please provide a copy of the current collective bargaining agreement.

Subcontractors

Please identify proposed subcontractors and the scope of work each will be responsible for. Agreements with the subcontractor(s) must meet the requirements of the level and type of insurance specified in Section 13.02 E of the Agreement.

Secretary's Certificate

Please complete and submit the Secretary's Certificate, Attachment 4 with the proposal.

Anti-Collusion Affidavit

Please complete and submit the Anti-Collusion Affidavit, Attachment 5 with the proposal.

BASE SERVICES - TECHNICAL PROPOSAL

Information Applicable to All Services

1. Please provide a level of detail for each element of your Base Services proposal that conveys a clear understanding of how the service would be implemented, and that supports the underlying assumptions and proposed costs.
2. Maximize the use of the City's waste characterization as you develop your proposal, noting how your proposed approaches address removal of specific materials that remain in the MSW stream as it arrives at the SMaRT Station.

Recyclable Materials, Organic Materials, and Solid Waste Collection, and Organics Processing Services

3. Address in general, for residential services in particular, and for other services as applicable, how increased density and infill, with residential growth concentrated in multi-family developments and increased mixed use now affects, and will affect the provision of Base Services over the term of the Agreement. In particular please address traffic density, collection vehicle ingress and egress, container type, container placement, and the contrast between the use of fully automated collection equipment and the fact that drivers must be prepared to leave their vehicles to conduct and complete collection activities. The City wishes to engage Recology as a partner in anticipating and addressing these development challenges.
4. If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles with split compartments), please provide the names of several jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology will work, why it was chosen for the City, and how it shall benefit and work in the City specifically.
5. In addressing the following Base Services, you may, as applicable cross-reference materials rather than replicate them multiple times.

Residential Services

Please describe how Recology will provide the services requested in the Residential Services portion of Section 2 of the RFP and as described in the Agreement, and address them in the order shown below.

Recyclable Materials Collection

Please describe how Recology will provide the recycling services requested in Section 2 of the RFP and as described in the Agreement. Address collection method, including for added recyclables, extra recycling set-outs and extra holiday recycling as shown in Table 2-2, for split-cart and group cart customers and for single-family, small multi-family and large multi-family customers as discussed in Section 2 and as shown in Tables 2-1 and 2-2. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree-lined streets, low hanging wires, and alleyways;
- Collection methodology for items collected separate from containers such as cardboard, universal wastes and e-wastes;
- Load-checking for contaminants;
- Standard crew size;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment; and
- Your approach to providing all customers the ability to switch carts once per year at no cost to customer.

Added recyclables processing and marketing is addressed later in this Section 3.

Yard Trimmings Collection

Please describe how Recology will provide the yard trimmings services requested in Section 2 of the RFP and as described in the Agreement. Address collection method for yard trimmings, holiday trees, and extra set-outs of yard trimmings for split-cart and group cart customers as discussed in Section 2 and shown in Table 2-2. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree-lined streets, low hanging wires, and alleyways;
- Load-checking for contaminants;
- Standard crew size;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment; and
- Your approach to providing all customers the ability to switch carts once per year at no cost to customer.

Solid Waste Collection

Please describe how Recology will provide the solid waste services requested in Section 2 of the RFP and as described in the Agreement. Address collection method for regular solid waste collection and for backyard collection, for split-cart and group cart customers and for single-family, small multi-family and large multi-family customers as discussed in Section 2 and shown in Table 2-3. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree-lined streets, low hanging wires, and alleyways;
- Load-checking for contaminants (e.g., recycling);
- Standard crew size;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment; and
- Your approach to providing all customers the ability to switch carts once per year at no cost to customer.

On-Call Services

Please address how the following services described in Section 2 will be provided, as applicable, for split-cart and group cart customers and for single-family, small multi-family and large multi-family customers. As applicable, for each service please address:

- Collection methodology, including vehicle type and route planning;
- Load-checking for contaminants and hazardous wastes;
- Standard crew size; and
- Location for equipment, containers, fueling and personnel staging.

1. On Call Plus Clean Up By Appointment

In addition to the above, please describe the process for setting appointments and the maximum number of days in advance that customers must schedule the service.

2. SMaRT Station Vouchers**3. Bin for a Day**

In addition to the above, please describe the process for setting appointments and the maximum number of days in advance that customers must schedule the service.

4. Reuse or Donation

Discussion of this topic may be consolidated with that for the Mountain View Recycling Center discussed below. Please address each of the elements of the plan described in Section 2.

5. Household Hazardous Waste Front-Door Collection

In addition to the above, please describe the process for setting appointments and the maximum number of days in advance that customers must schedule the service.

Commercial Services

Please describe how Recology will provide the services requested in the Commercial Services portion of Section 2 of the RFP and as described in the Agreement, and address them in the order shown below.

Mixed Recyclable Materials Bin Collection

Please describe how Recology will provide the mixed recycling services requested in Section 2 of the RFP and as described in the Agreement for commercial/industrial businesses and schools. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree lined streets, low hanging wires, and alleyways;
- Load-checking for contaminants;
- Standard crew size;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment;
- Approach to collecting pallets from businesses and diverting these from landfill disposal;
- Approach to collection of locked bins used for cardboard recycling in the commercial sector;
- Your approach to providing all customers the ability to switch carts once per year at no cost to customer.

Added recyclables processing and marketing is addressed later in this Section 3.

Solid Waste Collection

Please describe how Recology will provide the solid waste collection services requested in Section 2 of the RFP and as described in the Agreement for commercial/industrial businesses and schools. Include at a minimum:

- Collection methodology, including route planning, discussion of special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree lined streets, low hanging wires, and alleyways;
- Load-checking for contaminants (e.g., recycling);
- Standard crew size;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment; and
- Your approach to providing all customers the ability to switch carts once per year at no cost to customer.

Recycling Clean-Out Service

Please describe how Recology will provide recycling cleanout services for commercial/industrial businesses and schools requested in Section 2 of the RFP and as described in the Agreement, including the process for setting appointments and the maximum number of days in advance that customers must schedule the service.

City Facilities Collection

Please describe how Recology will collect recycling, yard trimmings and solid waste from locations below, as described in Section 2 of the RFP and in the Agreement.

1. City buildings
2. City parks
3. Downtown litter cans (solid waste only)
4. Downtown recycling enclosures (recycling only)
5. Certain bus stops (solid waste only)
6. Other public facilities as scheduled (recycling and solid waste only)

Other Collection-Related Services

Please describe how Recology will provide each of the following services, as described in Section 2 of the RFP and in the Agreement.

Roll-Off Box Collection

Please address, at a minimum:

- Collection methodology, including special methods for collecting in narrow streets, courts, developments without through streets, heavily parked areas, tree lined streets with low hanging wires and alleyways;
- Load-checking for contaminants;
- Types, costs, number, and manufacturer's specifications of containers to be utilized;
- Location for equipment, containers, fueling and personnel staging;
- Preventive maintenance program for equipment;
- How boxes will be labeled to ensure proper use by the generator and proper identification of contents at the SMaRT Station; and
- How Recology will provide public outreach regarding the availability of such recycling services.

Special Collection

Please address how Recology will determine reasonable fees for special pickup services.

Special Events Collection

Please address how this service will be provided.

Mountain View Recycling Center Operation**1. Regular Operations**

Please address in detail how you will provide all of the services described in Section 2 of Base Services as part of "regular operations." At a minimum, please address the following:

- Whether the list in Section 2 is inclusive or if there are other operational functions are proposed for the site.
- How the site will be managed to accommodate each of the functions.
- Whether drop-off of materials be available only during limited hours when staff is present, on whether there will be a means for customers to leave certain of the materials at any time.
- How Recology will avoid unauthorized drop-off of materials such as e-wastes, universal wastes, motor oil, and cooking oil such that they are not "dumped" at the gate during closed hours. The City wishes to avoid unintended consequences that could constitute public nuisances, or raise public health and/or water quality regulatory concerns.
- How Recology will accommodate container storage at the site. Approximately how many containers of each container type will be stored on-site at a time? How will future available space and storage capacity compare to that currently available at the site? Will it be necessary to rely on, or to increase reliance on, storage of containers at alternative remote sites controlled by Recology? If the result is a reduction in available storage space at the site and/or increased

Recyclable Materials, Organic Materials, and Solid Waste Collection, and Organics Processing Services

use of an alternative storage site, how will this affect timely container delivery and the cost of storage and delivery?

- Provide a high-level but accurate drawing showing the above space allocations on the site including ingress and egress, traffic flow, storage of materials and containers, etc.

2. Reuse Days and E-Waste/Universal Waste Days

Please address in detail how Recology proposes to provide the Reuse Days and the E-Waste/Universal Waste Days described in Section 2 of Base Services. In particular, please:

- Describe how the site will be managed during these events to accommodate the drop-off and pickup activities, as well as ongoing functions such as container storage.
- Note whether you intend to offer these as two combined events or as four separate events, per year, and if the latter what services will be included in each.
- Define a detailed outreach plan for publicizing the availability of these days for City approval.
- Provide a high-level but accurate drawing showing how these activities will occur, and in particular how site ingress and egress, and traffic flow on-site will be managed.

Audits

Based on the information in Section 2 and the requirements of the Agreement, please describe Recology's recommended approach to providing Route Audits and Program Evaluation Audits.

Additional Services

1. As proposed by Recology, develop a program for shifting to a compressed natural gas or CNG fleet over the Agreement term, with the current diesel trucks replaced by CNG vehicles once the former are fully amortized. Recology's proposal should also address arrangements for CNG fueling, including but not limited to identification of fueling stations, identity of other facility users, projected schedule for fueling to minimize off-route times, fuel pricing, and a commitment to ensuring the City has adequate fueling capacity for the term.
2. Please see the Section 2 description of the incentive program for Zero Waste Services. While such a program will be a key aspect of the Zero Waste Services, the concept could also apply to Base Services. Recology is encouraged to propose some form of the program as part of Base Services. The City recognizes, however that having the responsibility and authority for technical assistance puts Recology in a better position to achieve specific diversion goals with the Zero Waste Services.
3. As discussed in Section 2, the new agreement will require Recology take a more proactive role in protecting the exclusivity of the Agreement. Please provide a specific approach to how best to accomplish this, including how Recology and the City can effectively work together to avoid infringement.

Data Management and Reporting Requirements

Please describe in detail how you will meet the data management and reporting requirements of Article 9 of the Agreement. In particular, please address how you will ensure that all data is provided in a

nonproprietary electronic format (e.g., Excel and Access) that allows for full City manipulation of the data, and that staff engaged in developing reports has sufficient training to conduct queries and run reports as requested by the City.

Customer Service

Please describe how supervisory customer service staff and customer service representatives are trained, how professional and courteous behavior is ensured, and how customers are consistently presented with timely, responsive and thorough solutions to problems and requests for information.

The Agreement details Recology's responsibility regarding customer service including, but not limited to: telephone system performance requirements; customer service representative staffing and responsibilities; and customer service recordkeeping. Please address the following, at a minimum:

- Specify the number of full time equivalent Customer Service Representatives (CSRs) that now serve the City, and the number that will be assigned to the City under the Agreement. Please describe how calls are handled, reported and resolved; how many calls are expected per CSR; and any planned or anticipated changes to your current CSR operations that will be necessary to address City needs as specified in the Agreement.
- Describe specifically how CSR's are now shared with other jurisdictions, and how each CSR obtains and maintains a clear understanding of how services are provided in Mountain View in order to provide clear and accurate information to residents and businesses.
- Describe procedures and policies to satisfactorily respond to, record, and report common customer complaints such as: missed pick-ups; lack of or inappropriate non-collection notices; spills and litter resulting from collection; early collection before 7 a.m. or caused by driver's change in routing; collection schedule changes; broken or missing containers; improperly prepared set-outs; improper container placement after collection; noise complaints; traffic and sidewalk obstructions during collection; and safety around collection vehicles during operations.
- Describe quarterly customer service staff training programs and on-going training programs.
- Schedule for updating your website with new information and data.

Hazardous Waste Management

Describe procedures for identifying and handling hazardous waste disposed in the solid waste, recyclable materials, and yard trimmings collected by Recology in the performance of these services. Please address identification and screening procedures; notification plan; disposal plan; and, employee training program.

Facilities Related to Collection Services

Please identify by address(es) any properties, other than the Terra Bella site, to be used for parking vehicles, storing containers and other equipment, equipment maintenance; customer service and business office operations, and recyclable and yard waste/organics processing. Please identify the status of these properties (owned and currently operated by Recology for these purposes, currently leased by Recology and used for these purposes, optioned by Recology and permitted for use in

accordance with Recology's proposal, etc.), and indicate any sharing with Recology affiliates serving other cities or providing other services such as open market or non-franchised collection.

Diversion Incentives

As discussed in Section 2, diversion incentives are primarily addressed as Zero Waste Services. However, Recology is encouraged to propose some form of the program as part of Base Services.

ZERO WASTE SERVICES - TECHNICAL PROPOSAL

As described in Section 2, the City requests proposals for each of the following Zero Waste Services:

1. Weekly Recycling Cart Service. Single Family and Multi-Family Dwellings.
2. Weekly Yard Trimmings with Food Scraps Cart Service. Single Family Dwellings.
3. Weekly Yard Trimmings Cart Service, Fall Leaves. Single Family and Multi-Family Dwellings.
4. Collect Additional Residential and Commercial Recyclable Materials at the Mountain View Recycling Center.
5. Universal Recycling and Technical Assistance. All Multi-Family Complexes, Businesses, Schools, and Special Events ("Commercial Accounts").
6. Commercial Organics Service and Technical Assistance. All Multi-Family Complexes, Businesses, Schools, Special Events ("Commercial Accounts") and City Facilities.

General Proposal Requirements

The Agreement included with the RFP does not address the Zero Waste Services. The Zero Waste Services proposal, and subsequent evaluation and negotiation will provide the basis for developing agreement language for City-selected programs. In general, in addressing each of the Zero Waste Services, please:

1. Address all aspects of each service as described in Section 2.
2. Provide all underlying assumptions, and a level of detail for each element of your Zero Waste Services proposal that conveys a clear understanding of how the service would be implemented, and that supports the assumptions as well as the proposed costs.
3. Maximize use of the City's waste characterization as you develop your proposal, noting how your proposed approaches address removal of specific materials that remain in the MSW stream as it arrives at the SMaRT Station.
4. Address how increased density and infill, with residential growth concentrated in multi-family developments and increased mixed use will affect the provision of Zero Waste Services over the term of the Agreement. Please focus on the any differences from provision of Base Services, and in particular address traffic density, collection vehicle ingress and egress, container type, container placement, and the contrast between the use of fully automated collection equipment and the fact

that drivers must be prepared to leave their vehicles to conduct and complete collection activities. The City wishes to engage Recology in anticipating and addressing these challenges.

5. If the proposed methodology or equipment can be considered non-standard (e.g., co-collection vehicles with split compartments), please provide the names of several jurisdictions where the proposed equipment is currently being used as it is proposed. Also, describe in detail how this collection technology will work, why it was chosen for the City, and how it shall benefit and work in the City specifically.
6. In addressing the Zero Waste Services, you may, as applicable cross-reference materials rather than replicate them multiple times.

Specific Proposal Requirements

For each Zero Waste Service, please also address each of the following elements, as applicable and as incremental additions to the Base Services. Please address the following elements in the order shown. For non-applicable items, please list them, and note "not applicable". See also the following subsection regarding outreach and technical assistance.

1. Collection methodology;
2. Proposed additional staffing (in full-time equivalents or FTE's) for management and administration, including their job functions and addressing any applicable Agreement provisions regarding minimum dedicated staffing;
3. Proposed additional staffing (in full-time equivalents or FTE's) for collection supervision and collection staffing, including their job functions and addressing any applicable Agreement provisions regarding minimum dedicated staffing;
4. Proposed additional staffing (in full-time equivalents or FTE's) for customer service supervision and staffing (CSR's), including their job functions and addressing any applicable Agreement provisions regarding minimum dedicated staffing;
5. Equipment to be utilized (e.g., equipment/vehicle description, number, types, manufacturers' specifications, cost, capacity, age and number of spares, etc.);
6. Container requirements including internal containers for commercial organics and multi-family recycling (including type, number, cost, spares, and inventory storage);
7. Specific set-out requirements for generators, including definition of allowable materials, and any specifications or limitations regarding their collection, such as size or weight;
8. Implementation plans including a proposed schedule for implementing the Zero Waste Services so they become available on April 27, 2013, with initial key milestone start and finish dates for the transition, addressing, at a minimum, equipment ordering and receipt, container delivery and storage, staff hiring and training, education material development, and on-site education and technical assistance; and

9. Estimated customer participation rates and annual tons of material collected by material stream.

Proposal Requirements for Outreach and Technical Assistance

Outreach and technical assistance is an integral part of the universal recycling and commercial organics programs, and would be a new addition to the services Recology currently provides. Effective implementation of the other Zero Waste Services will also require an increased level of outreach and education. Please discuss in detail your plans for initial and ongoing outreach and technical assistance, tailored to each specific customer type included in these two Zero Waste Services, and to specific business types. Also address the outreach and education needs, though less extensive of the other four Zero Waste Services. The proposal need not repeat the same material, as long as it is clear how City selection of Zero Waste Service 5, Zero Waste Service 6, or both affects levels of effort, sequencing of activities, staffing needs, etc. The City's goal is to incorporate specific performance standards into the Agreement based on Recology's proposal, such as number of annual audits to be performed, number of visits per customer during the term, etc.

Describe your proposed approach and schedule for providing outreach and technical assistance to commercial accounts for Zero Waste Services 5 and 6, including but not limited to:

- Initial efforts to contact customers regarding new services.
- Conducting initial visits.
- Conducting detailed audits.
- Providing service recommendations.
- Providing customer staff and janitorial training.
- Monitoring implementation of new or modified services, including delivery of internal and external containers.
- Ensuring "right-sizing" of both diversion and solid waste service levels.
- Process for monitoring compliance of set-outs over time including contamination rates and any need for service level changes.
- Rotating schedule for ensuring each commercial account receives sufficient technical assistance throughout the term.

Please also address the following specific items:

1. Proposed staffing (in full-time equivalents or FTE's) for both supervision and staffing of outreach and technical assistance, including their job functions and addressing any applicable Agreement provisions regarding minimum dedicated staffing,
2. Public outreach efforts including presentations to service organizations, participation at City events such as booths, displays, sponsorship, parade floats, etc.
3. Schedule and quantity of information that will be distributed for new or changed services (e.g., brochures, handouts, press releases etc.). Provide a sample of instructions to be conveyed to participants.

4. Samples of similar educational materials, which may have been used in other programs.
5. Proposed initial budget and ongoing annual budget for education, outreach and technical assistance.
6. Ability to prepare multi-lingual public education materials (preferably in English, Russian and Spanish).
7. In addition, please provide a cost for providing up to 25 audits per year in support of Green Business Certifications.
8. For schools, identify a plan to provide extra leadership and assistance in re-establishing recycling programs, including providing collection carts for lunch areas, conducting annual school assemblies and implementing additional greening measures such as those established by local and regional Green School programs.
9. Approach to creating, issuing and keeping records of non-collection notices during collection of materials.

In evaluating combinations of Zero Waste Services, the City may request Recology describe and quantify the reduced costs of selecting services that “overlap”, (e.g., see comment below for item 3, as well as instances of shared staff, shared equipment, etc).

Other Innovations

As discussed at the November 1 meeting, we offer the following for your consideration as you develop the above proposals. The goal is to spur Recology to provide innovative services that will maximize the City’s opportunity to achieve zero waste or enhance customer convenience. For each, please discuss how your proposal addresses the item, or why you chose not to address it. Please provide sufficient detail to allow for evaluation of the efficacy of your proposed approach. Please contact Lori Topley if you wish to discuss program options related to these innovations, or to other innovations, prior to developing full proposals.

- **Food Scraps Cart Service without Yard Trimmings. Single-family Dwellings** – As discussed in Section 2 of the RFP, the City is interested in keeping food scraps and yard trimmings separate in general, if possible, and in food scrap collection for customers that do not generate yard trimmings. Please discuss whether and how one or more approach(s) might be implemented.
- **No Cardboard or Yard Trimmings in Solid Waste Container** – As discussed in Section 2 of the RFP, one approach to achieving very high diversion is to ensure that materials are placed in the proper container. Please discuss how you would implement such a program in Mountain View.
- **Truck Re-Routing** – Please consider the options for re-routing to collect “wet” solid waste separate from “dry” solid waste, as discussed in Section 2 of the RFP. Please discuss how this approach might apply to the commercial and bin services described above.
- **Commercial Diversion Volume** - Please consider integrating this approach, as described in Section 2 of the RFP, into your commercial technical assistance plan.
- **Reward Program** – Please consider whether a rewards program would be of value in increasing diversion and general awareness.

- **Junk Removal Services** – Please consider options for implementing a junk removal service to provide residents the option of using Recology rather than other junk removal companies and help reduce illegal hauling, such as the approach used in San Francisco.

Other Services for City Consideration

CNG Vehicles

Please propose an alternative schedule for replacing current vehicles with CNG vehicles in order to speed up the completion of a CNG vehicle fleet within three years of the commencement date for the new agreement (e.g., replacement of one-third of fleet trucks annually for three years). Your Proposal should also address fueling. Please compare it to the fleet conversion proposal for Base Services.

Diversion Incentives

As discussed in the Zero Waste Services portion of Section 2 of this RFP, the City wishes to provide Recology with diversion goals and one or more incentives to increase the amount and/or quality of recovered materials from the new Zero Waste Services. Please discuss the approach proposed in Section 2, and if recommended any potential alternatives that accomplish the same objectives and that Recology is willing to commit to. As noted, the City is open to discussion of viable options for maximizing diversion and/or minimizing contamination.

SERVICES OFFERED BY RECOLOGY

Section 2 includes discussion of a set of services proposed by Recology, with a table summarizing their treatment in the RFP. As noted in Section 2, there are several services the City is not requesting, or will consider further based on their relative costs and whether there are alternative services that may be of greater interest. The proposal forms contain a table for Recology to use to identify the amount and nature of the savings related to not providing those services that are not contained in the RFP, or that the City may later decide to exclude from the final service package.

PROCESSING AND MARKETING PROPOSALS

Please address, separately, the following items as applicable to organics processing and the processing of added recyclables. See also the term sheet for organics processing contained in Attachment 2. Please provide full detail for organics processing, as described below. Less detail is necessary for processing of the added recyclables given the relatively small amounts of material involved.

- Estimated annual tons of organic materials and added recyclables that will be processed;
- Name and description of transfer and processing facility(ies) where organic materials and added recyclables will be processed;
- Name of owner and operator of the facility(ies), copy of facility(ies) permits, proof of permitted capacity, CEQA review documentation for processing site; gross processing fee per ton, anticipated revenue/cost per ton (if any), commitment to provide adequate capacity at each facility for the term of the Agreement, method of tracking tonnage if the facility is receiving tonnage from other jurisdictions, and hours of operation;

- Identify the facility(ies) owner/operator if Recology is not the owner/operator, and provide a letter of commitment for the term of the Agreement to be a subcontractor to Recology to provide necessary capacity; and,
- Timing, location (e.g., at transfer station prior to transfer and/or at processing facility), and nature of any pre-preprocessing, separation, contamination removal, etc.;
- Processing method, including key milestones and duration of each step;
- Timing, location (e.g., at transfer station prior to transfer and/or at processing facility), and nature of any post-processing to obtain a marketable product;
- Description of the materials marketing plan for organics and for the added recyclables, including types of products and target markets for each;
- Disposal sites to be used for disposal of processing residues; and
- Projected rate of residue disposal, and how it will be tracked and reported to the City.

PROPOSAL FORMS AND INSTRUCTIONS

Attachment 3 of the RFP contains proposal forms and related instructions.

EXCEPTIONS TO RFP, AGREEMENT, OR TERM SHEET

A draft version of the new Agreement is included as Attachment 1. A draft term sheet for the requested processing services is included in Attachment 2. Please carefully review the Agreement and term sheet while preparing your proposal. Please provide any proposed exceptions to the terms and conditions of the RFP, the draft Agreement, and/or term sheet using the redline strikeout and comment functions, as needed. For each exception noted, please provide alternative language for the City's consideration. The City reserves the right to determine if the exceptions are reasonable. Recology shall be deemed to have accepted and agreed to any provisions of the RFP and/or proposed terms and conditions of the Agreement and term sheet which have not been noted as exceptions in the proposal.

LIST OF POTENTIAL NEW COLLECTION SERVICES	Diversion ¹ Potential	SFD ² MFD COM	Survey ³ Interest	Requires 3rd Party Contract Changes	Request Optional Pricing Recology
DIVERSION & GHG					
MAXIMIZE EXISTING PROGRAMS					
1. Weekly Recycling Cart Service. Provide second set of trucks/drivers to collect weekly.	L	SFD MFD	No 59% No 71%		X
2. Weekly Yard Trimmings Cart Service. Provide second set of trucks/drivers to collect weekly.	L	SFD MFD	No 60% Yes 52%		X
3. Weekly Yard Trimmings Fall Leaves Cart Service. Alternative option if #2 not selected.	NA	SFD			X
4. Yard Trimmings ALL Multi-Family Complexes. Contact every complex and provide technical assistance.	L	MFD	Yes 53%		X
5. Accept More Types of Recyclables. Similar to other cities.	L	SF/MFD COM	Yes 53-64% No 50-70%	X	
6. Universal Recycling. Provide every business and multi-family complex ⁴ a recycling container, but recycling is not mandatory. Provide technical assistance.	M L	COM MFD			X
7. Technical Assistance. Contact list of businesses, schools, and special events to provide education, outreach and technical assistance to implement diversion programs.	L	COM	Yes <70%		
8. Outreach Materials. Provide flyers, website, and other materials to educate residents, businesses/contractors.	L	COM SF/MFD	Yes 50-70%		
9. No Cardboard in Trash. Do not collect trash and contact customer to remove recyclables.	Varies ⁵	ALL			X
10. No Yard Trimmings in Trash. Do not collect trash and contact customer to remove recyclables.	Varies ⁵	ALL			X
NEW PROGRAMS					
11. Truck Re-Routing. Collect "wet" trash (e.g. restaurants/MFD) separate from "dry" trash (e.g. offices) to increase recovery of paper and other recyclables.	H H	MFD COM			X
12. Food Scraps Service Commercial. Provide food scrap collection for businesses, schools, and special events.	M	COM	Split 50/50	X	X
13. Food Scraps Residential. Collect food scraps with yard trimmings cart and provide weekly service.	L	SFD MFD	Yes 70%	X	X
14. Clean Up Service Residential. Provide Dumpster for a Day (4-6 yard bin similar to Cupertino).	NA	SFD			X
15. Clean Up Service Multi-Family. Provide "move out" bulky good service.	L	MFD			
16. School Revitalization. Re-introduce recycling to each school, add food scrap service, provide carts for lunch areas, conduct biannual school assemblies, and implement Go Green program similar to San Jose.	NA	COM			X

¹ Diversion levels: H >2,600 tons per year; M 1,050-2,600 tons per year; L <1,050 tons per year; NA not available (see Attachment 8 for further explanation)

² SFD=single-family 1-4 units, MFD=multi-family 5+ units, COM=commercial/industrial/schools/events

³ See Survey Report Attached

⁴ New State law AB818 "Renters Right to Recycle" requires multi-family owners to arrange for recycling services

⁵ Diversion will vary depending on how program is implemented; Recology ideas will be requested

LIST OF POTENTIAL NEW COLLECTION SERVICES	Diversion ¹ Potential	SFD ² MFD COM	Survey ³ Interest	Requires 3rd Party Contract Changes	Request Optional Pricing Recology
CUSTOMER CONVENIENCE					
17. <i>Reward Program.</i> Reward customer for recycling right or increasing volume as determined by hauler.	L	SFD MFD			
18. <i>Free Holiday Tree Collection Multi-Family.</i>	L	MFD	No 59%		
19. <i>Free Backyard Collection Option for Seniors</i> (non-medical).	NA	SFD MFD			X
20. <i>Backyard Collection Option for Others</i> (fee).	NA	SFD MFD			X
RECOLOGY PROPOSAL					
MOUNTAIN VIEW RECYCLING CENTER (Terra Bella)					
21. <i>Semi-Annual Green Environment Day.</i> Drop off confidential paper shredding; reuse/donation of books, toys, clothes, furniture; and free compost pick up.	L	SFD MFD	Yes 61% Yes 78-83%		
22. <i>Semi-Annual E-waste/Universal Waste Day.</i> Drop off computers, cell phones, CFL bulbs, etc.	L	SFD MFD	Yes 84%		
23. <i>Drop Off Usable Clothes.</i> For non-profit donation.	L	SFD MFD	Yes 61% Yes 83%		
24. <i>Drop Off E-waste.</i>	L	SFD MFD	Yes 84% Yes 83%		
25. <i>Discounted Backyard Home Composting Bins.</i>	L	SFD MFD	No 56% No 72%		
CURBSIDE / OTHER SERVICES					
26. <i>Curbside Collection.</i> CFL bulbs, cooking oil, cell phones.	NA	SFD MFD	Yes 79% (bulbs only) Yes 65-83%	X	
27. <i>Alternative Fuel Vehicles.</i> Wait until old diesel trucks need replacement, replace with compressed natural gas fuel. (City staff suggests replace all vehicles with CNG earlier and request optional pricing from hauler.)	NA	ALL			X
28. <i>Indoor Containers Commercial Food Scraps.</i> Provide free internal containers for food scraps to businesses.	NA	COM	No 56%		
29. <i>Indoor Containers Multi-Family Recycling.</i> Provide free recycling bags for collection and transport to outdoor complex bins.	NA	MFD			
30. <i>Household Hazardous Waste "Front Door" collection.</i> Provide through City's On Call Plus program (no fee).	L	SFD	Yes 54% No charge 63%		

¹ Diversion levels: H >2,600 tons per year; M 1,050-2,600 tons per year; L <1,050 tons per year; NA not available (see Attachment 8 for further explanation)

² SFD=single-family 1-4 units, MFD=multi-family 5+ units, COM=commercial/industrial/schools/events

³ See Survey Report Attached

⁴ New State law AB818 "Renters Right to Recycle" requires multi-family owners to arrange for recycling services

⁵ Diversion will vary depending on how program is implemented; Recology ideas will be requested

BASE SERVICES – RESIDENTIAL TRASH, RECYCLING AND YARD TRIMMINGS

OVERALL SERVICES	Single family ¹	Multi-family ² 5-8 units	Multi-family ² 9+ units
Trash Cart – 20, 32, 64 or 96 gallon sizes	X	X	
Trash Bin (dumpster) – 1 to 6 yard sizes		X	X
Backyard Service – Seniors and Disabled	X		
On Call Plus Cleanup	X	X	
Split Cart Recycling	X	X	
Group Cart Recycling		X	X
Group Bin Recycling ³			X NEW
Yard Trimmings	X	X NEW	X NEW

- 1 Single family home; duplex, triplex or fourplex; rowhouses and townhouses with individual street frontage; mobile homes
- 2 Condominiums; apartments; mixed use; rowhouses and townhomes without individual street frontage
- 3 Multi-story, high density developments with trash and recycling chutes

BASE SERVICES - RESIDENTIAL RECYCLING MATERIALS

RECYCLING SERVICES	Split Carts	Group Carts	Group Bins
Mixed Paper	X	X	X
Mixed Containers	X	X	X
Bundled Cardboard	X	X	X
Household Batteries	X		
Motor Oil and Filters	X		
Cooking Oil, Compact Fluorescent Light Bulbs, Cell Phones	X NEW		
Limited Extra Recycling and Yard Trimmings	X NEW		
Holiday Trees	X	X NEW	
Holiday Extra Recycling (unlimited)	X	X NEW	

BASE SERVICES - MOUNTAIN VIEW RECYCLING CENTER

DROP OFF SERVICES	All Hours	Limited Hours ¹
Mixed Paper	X	
Cardboard	X	
Mixed Containers	X	
CRV Redemption (bottle and can buy-back)		X
Household Batteries		X
E-Waste, Motor Oil and Filters, Cooking Oil, Compact Fluorescent Bulbs, Cell Phones, Textiles (possibly)	2 NEW	2 NEW
Semi-Annual Reuse/ E-Waste/U-Waste Drop Off Day and Compost Pickup	NA	NA

1 Current Hours: Tuesday through Saturday, 9 am to 3 pm (except major holidays)

2 Recology to specify hours in proposal

Key Agreement Provisions

Provisions	Current Agreement	Proposed Agreement	Comments
Term	10 years (expiration April 2003).	8.5 years (expiration October 2021).	New agreement will expire concurrent with Landfill and SMaRT Agreements.
Extensions	Two (2) additional terms at five (5) years each (both optioned and agreement extended to 2013).	Four (4) additional terms of one (1) year each.	Shorter term extension options offer more flexibility due to unknowns related to simultaneous expirations of collection, processing and landfill agreements.
Scope of Agreement/Exclusive Rights	Grants exclusive right to collect and transport solid waste, recyclables and organics materials generated in City. Exceptions include: <ul style="list-style-type: none"> • Generator giving away or donating recyclables • Hazardous waste and medical waste • Self-hauling construction and demolition debris • Yard trimmings as part of gardening service 	No significant changes.	
Rate of Return	Contractor earns minimum of 6 percent, maximum of 12 percent.	Minimum of 6 percent retained, maximum reduced to 10 percent.	Beginning in 2015, odd year adjustments are cost based, reviewing actual allowable operating expenses, as is the case now; and in even years adjustments are index based, using various price indices.

Provisions	Current Agreement	Proposed Agreement	Comments
Collection Standards	General standards regarding due care of private property, noise and litter abatement.	Clearly specifies approach to providing service. Collection trucks may be automated, but in practice service is semi-automated, with drivers needing to leave vehicle to fully conduct service.	The nature and logistics of collection in Mountain View, including the variety of housing types, narrow streets, and traffic congestion often preclude reliance on fully automated service.
Performance Measures	Mostly focused on customer interface: cart placement, damage to private property, discourteous behavior.	Specifies a clear set of standards for transition, collection reliability, collection quality, clean vehicles, customer responsiveness, reporting, processing, public education and diversion.	Includes diversion incentives for Contractor based on tons of recyclables and organics collected, to assist City in meeting Zero Waste goals.
Liquidated Damages	After repeated uncorrected violations, administrative hearing may be conducted and fine assessed, amount unspecified.	Damages assessed for failure to meet performance measures; e.g. failure to provide targeted technical assistance, failure to resolve a complaint, failure to meet diversion standard.	Typically charged per incident, day, or event and costing Contractor between \$100 and \$500 each occurrence.
Personnel	No specific provisions.	Commitment to minimum staffing levels for key positions.	
Vehicles	No specifications regarding fleet type. General cleaning, painting and maintenance specifications.	May specify replacement with clean-air vehicles (e.g., compressed natural gas). Additional standards for vehicle painting and appearance.	

Provisions	Current Agreement	Proposed Agreement	Comments
Containers	Charge customer for cleaning and painting of bins, cleaning and painting schedule not specific.	Provide minimum schedule for cleaning and painting free of charge. Charge for additional customer requests above minimum frequency.	Contractor responsible for painting and steam cleaning containers every two years, organic containers twice annually, at no charge; and remove graffiti from containers within 2-5 days.
Reporting Requirements	General records and reports required for: <ul style="list-style-type: none"> Quantities of recycled materials collected per route Number of pickups in recycling programs Cost information Customer complaints State and Federal mandate requirements 	Record keeping and reporting requires additional information and specificity regarding: <ul style="list-style-type: none"> Operational Performance Tonnage information Customer Service Special projects Reports must be in a form that can be sorted and analyzed consistently.	More extensive and detailed reporting requirements furnish additional flexibility to add or modify programs by providing reports that can be useful to evaluate diversion performance, Contractor's performance, customer participation in recycling, special projects (e.g. pilot programs) and customer service and complaints.
Buy-Recycled Policy	Not included.	All new Carts must contain a minimum of 30% post-consumer recycled content material.	

Recyclables, Organics, and Solid Waste Collection Agreement

Request for Proposal

Recommendation

- Approve Request for Proposal
 - Collection of Recyclable Materials, Organic Materials and Solid Waste
 - Processing of Commercial Organics

- Extend time period granting Recology exclusive right to negotiate new agreement from January 31 to April 30

Background

- Current collection services agreement expires April 2013
- Council granted Recology exclusive right to negotiate a new agreement (Sept. 2011)
- City reserves right to solicit bids for new agreement from other providers if mutually acceptable terms are not reached

Process

- Step 1 - Issue Request for Proposal (RFP)
 - Defines Services Requested
 - Includes Draft Agreement
 - Organics Processing Term Sheet
- Step 2 – Review Proposal
- Step 3 – Choose Services and Finalize Agreement

RFP Scope of Services

- Proposal to include three levels of services
 - Base Services
 - Zero Waste Services
 - Other Innovative Services
 - Services based on:
 - Zero Waste Plan analysis
 - Customer surveys
 - Recology offers
 - Staff identified needs
-

Base Services

- Similar to existing services
- Some additions - not expected to significantly add to cost or diversion
- One price for all base services
- Requests value of services offered at “no cost” in order to determine potential savings

New Base Services – Single Family

- Curbside collection of cooking oil, CFL's, cell phones, possibly textiles
- Limited extra collection of recyclables and yard trimmings (two extra bags, boxes, yard waste containers next to cart)

New Base Services – Multi-Family

- Yard trimmings service
- Collection if arranged and monitored by property manager
 - Cooking oil, CFL's, cell phones, possibly textiles
 - Unlimited extra holiday recycling
 - Holiday tree collection
- Multi-story, high-density residential recycling for buildings with chutes

New Base Services – Single and Multi-family

- Household Hazardous Waste – “At Your Door”
- Bin-for-a-day – cleanup option

New Base Services - Commercial

- Recycling Clean-Out Service – extra recycling containers delivered/picked up from businesses and schools once per year for large cleanouts

New Base Services – Recycling Center

- Add Drop-off Items – motor oil/filters, used cooking oil, household batteries, CFLs, e-waste, clothing, textiles
- Semiannual Reuse and E-Waste/ Universal Waste Days – donations of gently used books, toys, clothes and furniture for reuse and donation; paper shredding services; free compost pick-up

Zero Waste/Other Innovative Services

- Modified or additional services to increase diversion
- Identified through Zero Waste Plan process
- Defined in RFP, but latitude to accomplish them
- Discrete proposals with individual pricing

Zero Waste Services

- Residential Weekly Recycling
- Residential Weekly Yard Trimmings with Food Scraps
- Limited Period Weekly Yard Trimmings – 10 weeks for fall leaves
- Universal Recycling and Technical Assistance – Multi-family, businesses and schools

Zero Waste Services (continued)

- Commercial Organics and Technical Assistance – Collection and processing of food scraps, compostable paper, yard trimmings from multi-family, businesses and schools
- Other Recyclable Materials – Collection and processing of some materials not currently accepted at SMaRT

Other Innovative Services

- Single-Family Food Scraps – Collection separate from yard trimmings
- No Cardboard or Yard Trimmings in Trash
- Wet-Dry Collection
- Commercial Diversion Volume
- Reward Program

Technical Assistance

- Provide Technical Assistance – Universal Recycling and Organics Programs
 - Site visits to all multi-family, business and school accounts
 - Education materials
 - Presentations
 - Special assistance to schools
- Allows for diversion accountability

Diversion Incentives

- To increase amount and quality of recovered materials from new services
- Set diversion goals based on materials collected
- Provide financial incentives to achieve (or exceed) goals and penalties for failure
 - Per ton payments and penalties
 - Cap maximum annual diversion payments
 - Formulas for adjustments

Compensation Methodology

■ Current Methodology

- In place since 1993
- Based on return-on-investment (or percent profit) formula
- Rate of return allowed between 6% and 12%
- Allowable expenses can't exceed CPI
- Some provision for extraordinary expenses

Compensation Methodology (cont'd)

■ Proposed Changes

- ❑ Improve predictability, control costs, determine reasonableness of expenses
- ❑ Rate of return narrowed – between 6% and 10%
- ❑ Additional indices – CPI, plus Labor, Vehicles and Fuel
- ❑ Allowable expense review – Cost-based and index-based in alternating years

Other Key Agreement Provisions

- Current agreement written 20 years ago
- New agreement has many changes
- Goals for new language:
 - Reflect current practices for solid waste contracts
 - Capture practices being done now that are not formalized in writing

Next Steps

- End of December 2011 - Release RFP, Draft Agreement, Organics Processing Term Sheet
- February/March 2012 – Evaluate proposal
- April 2012 – Final selection of services and approval of Agreement

Recommendation

- Approve the Draft Request for Proposal to be provided to Recology Mountain View for Recyclable Materials, Organic Materials and Solid Waste Collection, and Organics Processing Services
- Authorize the City Manager to extend the time period granting Recology Mountain View the exclusive right to negotiate a new collection services agreement, from January 31, 2012 to April 30, 2012